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Form ADV Part 2A Brochure

March 28, 2022

**This Brochure provides information about the qualifications and business practices of SouthCol Advisors, LLC (“SouthCol” or “Adviser”). If you have any questions about the contents of this Brochure, please contact us at 239-228-8747.**

**The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**SouthCol is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.**

**Additional information about SouthCol Advisors, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

This Item of the Brochure discusses only specific material changes that are made to the Brochure and provides clients with a summary of such changes. This is our annual updating amendment filing. There are no material changes to report since our last Brochure dated March 24, 2021.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We will further provide other ongoing disclosure information about material changes as necessary, at any time, without charge.

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## **Item 4 – Advisory Business**

SouthCol registered as an investment adviser in 2020 and is owned by James W. Lumberg, the Adviser's founder and principal. SouthCol manages \$149,085,468 in discretionary regulatory assets under management as of December 31, 2021.

SouthCol provides investment advisory services to institutions, high net worth individuals, individuals and families. SouthCol serves clients as a fiduciary and in all activities acts in the best interest of clients.

### Institutional Services:

SouthCol provides customized fiduciary consulting and investment advisory services to institutions such as endowments and foundations. Specifically, SouthCol's institutional solution includes:

- Governance and Fiduciary Consulting – provides an investment committee with resources to understand and fulfill their fiduciary responsibilities.
- Investments – provides an investment program to empower an institution's mission in accordance with governance policies, and institutional objectives, risk tolerance and mission. The investment program includes creation and administration of an appropriate allocation across various asset classes and investment selections based on client investment objectives and risk tolerance.
- Reporting – provides investment program reporting to monitor adherence to governance and investment policies and evaluate portfolio performance.

### Private Wealth Management:

SouthCol provides customized fee-based wealth management services to individuals, high net worth individuals, and families. SouthCol's private wealth management services include:

- Determining Client Objectives and Program Design – development of a risk appropriate investment program designed to match client objectives and risk tolerance.
- Portfolio Construction and Administration – creation and administration of a customized investment program with an appropriate allocation across various asset classes and investment selections based on client objectives and risk tolerance.
- Reporting and Consultation – investment performance reporting and ongoing client consultation.

### Investment Program and Platform:

In providing Institutional Services and Private Wealth Management, SouthCol utilizes the services of Envestnet Asset Management, Inc. (the "Platform Manager") for trading and investment research, reporting, and, in certain instances, for determining client risk and appropriate asset allocations. Utilizing the Platform Manager's tools, as applicable, SouthCol determines the appropriateness of the asset allocation and investment options for clients based on clients' investment policy or risk tolerance, needs and objectives, investment time horizon and any other pertinent factors, and

allocates assets accordingly.

SouthCol primarily allocates client assets across mutual funds, equities, exchange traded funds (“ETFs”), closed-end funds, unit investment trusts, real estate investment trusts, and to Separate Accounts and/or Unified Managed Accounts, all of which are managed by independent third-party investment managers (“Independent Managers” or “Sub-Managers”). SouthCol utilizes only Independent Managers that are available through the Platform Manager. SouthCol monitors the investment performance of the Independent Managers and is authorized to add, terminate or change Independent Managers at any time when, in SouthCol’s sole discretion, it is determined that such action is in the best interests of a client.

The Platform Manager and Independent Managers manage client assets via Separately Managed Accounts or Unified Managed Accounts. Clients should review the Platform Manager’s and any selected Independent Manager’s Form ADV Part 2A for a complete description of the investment platform and program options.

#### Impact Overlay Services:

For socially responsible investing, and investors seeking mission-aligned portfolios, SouthCol’s clients have the option to select Impact Overlay Services, which are available through the Platform Manager. Impact Overlay Services integrate Environmental, Social and Governance (ESG) screens into the investment process based upon clients’ stated values and convictions.

### **Item 5 – Fees and Compensation**

The specific manner in which fees are charged is established in the SouthCol client agreement. SouthCol generally bills its investment advisory fees on a quarterly basis, in advance, based upon the value of the account on the last day of the previous calendar quarter, including cash balances. Clients authorize the Custodian, upon instruction from the Platform Manager, to directly debit fees from client accounts. Advisory fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals of less than \$10,000). Accounts initiated during a calendar quarter will be charged a prorated fee.

Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

SouthCol’s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. In addition to SouthCol’s fees, clients generally incur fees from Independent Managers and the Platform Manager. Fees for the Independent Managers and the Platform Manager are debited from client accounts and paid directly to the Independent Manager or Platform Manager, respectively. These fees vary based on the amount of assets under management and other factors, such as asset class. Clients also incur certain charges imposed by Custodians, brokers and other third parties such as custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions and contingent deferred sales charges imposed upon the liquidation of “in-kind assets” that are transferred into client account(s). When appropriate, SouthCol will liquidate such assets transferred into client account(s) at its sole discretion. Clients may be subject to taxes when SouthCol liquidates such assets. Mutual funds and exchange traded funds also charge management

fees and other fund expenses, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to SouthCol's fee, and SouthCol shall not receive any portion of these commissions, fees, and costs.

**Item 12** further describes the factors that SouthCol considers in selecting or recommending broker-dealers for effecting client transactions and determining the reasonableness of their compensation (e.g., commissions).

SouthCol's standard fee schedule, subject to negotiation, is as follows:

**Institutional Clients**

Client Assets Under Management	Annual Fee (%) for all assets
On the first \$100 million	0.50%
On all amounts in excess of \$100 million	0.30%

**Private Wealth Management Clients**

Client Assets Under Management	Annual Fee (%) for all assets
On the first \$10 million	0.60%
On all amounts in excess of \$10 million	0.40%

Independent Managers and the Platform Manager charge their own fees that are in addition to SouthCol's fees. Please refer to the SouthCol client agreement and disclosure documents from the Platform Manager and Independent Managers for details on their fee schedules.

To the extent SouthCol is aware of such relationships, SouthCol generally aggregates all assets within a given household for determining the fee levels across all assets in the household, as permitted. All fees are subject to negotiation and can vary from the amounts shown in the above tables.

**Item 6 – Performance-Based Fees and Side-By-Side Management**

SouthCol does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). As described below, SouthCol selects Independent Managers for a client based on that client's specific asset allocation and risk profile. As such, no conflict related to side-by-side management is created.

**Item 7 – Types of Clients**

SouthCol provides investment advisory services to institutional clients, primarily 501(c)3 endowments and foundations, individuals, high net worth individuals and families.

SouthCol generally requires a minimum amount of \$10 million to open or maintain an institutional

account and \$1 million to open or maintain a Private Wealth Management account. Account minimums can be waived at the sole discretion of the Adviser.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

SouthCol develops customized investment strategies developed to match a client's objectives and risk tolerance. In developing a client's investment strategy, SouthCol meets with the client to determine a client's investment goals, time horizon and risk tolerance. Based upon the results of this evaluation, SouthCol develops an asset allocation strategy. Once this strategy is developed, SouthCol researches available solutions from Independent Managers leveraging investment research offered by the Platform Manager. An investment portfolio is then developed using primarily mutual funds, ETFs, equities, closed-end funds, unit investment trusts and real estate investment trusts, either directly or via Separately Managed Accounts and/or Unified Managed Accounts. This process results in the construction of optimized, diversified portfolios that are matched to each client's risk tolerance and preferences.

Portfolios are monitored to evaluate the performance of each Investment Manager and the investment allocation of the account. In the event that an account's investment allocation significantly differs from the target investment allocation, securities will be bought or sold to rebalance to the target investment allocation. Rebalancing is generally reviewed quarterly.

### **Risk of Loss**

**Market Risk.** Investing in securities involves risk of loss (including loss of principal) that each Client should be prepared to bear. Typical investment risks include market risk typified by a drop in a security's price due to company specific events (such as an earnings disappointment or a downgrade in the rating of a bond) or general market activity (such as occurs in a "bear" market when stock values fall in general). At various times, market volatility can have a dramatic effect on the value of investments. In addition, terrorist attacks, acts of violence or war, health epidemics or pandemics or natural disasters can affect the operations, and consequentially, the value of securities held in a client's portfolio. Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Fixed-income strategies are subject to interest rate risk and the inherent credit risk related to the underlying credit worthiness of the various issuers and the volatility of the bond market.

**Small-Cap Companies.** Investments in small capitalized companies involve risks, including relatively low trading volumes, a greater degree of change in earnings and greater short-term volatility. Smaller companies typically have a higher risk of failure and are not as well established as larger blue-chip companies.

**Growth Strategies.** Growth strategies can perform differently from the market as a whole and from other types of stocks and can be more volatile than other types of stocks.

**High-Yield Bonds.** High-yield bond strategies invest in lower-rated debt securities (commonly referred to as junk bonds) and involve additional risks because of the lower credit quality of the

securities in the portfolio. Clients should be aware of the possible higher level of volatility and increased risk of default.

**Concentrated Portfolios.** Concentrated, non-diversified or sector strategies investing more of their assets in a few holdings involve additional risks, including share price fluctuations, because of the increased concentration of investments. The lack of industry diversification subjects the Client to increased industry-specific risks.

**Municipal Securities.** Municipal investment strategies can be affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities.

**Leverage.** Certain ETFs in Third-Party Models may utilize leveraged equity ETFs. The use of leverage by an ETF increases the risk to the portfolio. The more a portfolio invests in leveraged instruments, the more the leverage will magnify gains or losses on those investments. Due to the complexity and structure of these portfolios, they may not perform over time in direct or inverse correlation to their underlying index.

**Liquidity Risk.** Liquidity risk is a financial risk that, for a certain period of time, a security or commodity cannot be readily traded in the market or cannot be traded without a significant discount to the market price. Investing in certain types of securities that are thinly traded, or investing in bonds, ETFs or mutual funds that invest in thinly traded securities introduces liquidity risk. All tradable assets assume some level of liquidity risk. For example, certain alternative mutual funds and ETFs use techniques such as shorting of securities, leverage, and derivatives, all of which have liquidity risks if there are not buyers and sellers available or if a counter party cannot fulfill the order.

**Socially Responsible Investing/Sustainability Impact Consideration Investment Risk.** Portfolios with socially responsive investing screens or sustainability impact considerations may limit the number of investment opportunities available to such portfolios, and as a result, at times, a portfolio may produce different returns or more modest gains than portfolios that are not subject to such special investment conditions. For example, a portfolio may decline to purchase, or underweight its investment in, certain securities due to sustainability impact considerations when other investment considerations would suggest that a more significant investment in such securities would be advantageous, or the portfolio may sell certain securities for social reasons when it is otherwise disadvantageous to do so. Sustainability impact considerations may cause a portfolio's industry allocation to deviate from that of accounts without these considerations and of conventional benchmarks.

**Tracking Error Risk.** Tracking error risk refers to the risk that the performance of a client portfolio may not match or correlate to that of the index it attempts to track, on a daily or aggregate basis. Factors such as fees and trading expenses, imperfect correlation between the portfolio's investments and the index, changes to the composition of the index, regulatory policies, and high portfolio turnover all contribute to tracking error. Tracking error risk may cause the performance of a client portfolio to be less or more than expected.

**Tax-Managed Investing Risk.** Market conditions may limit the ability to generate tax losses or to generate dividend income taxed at favorable tax rates. A tax-managed strategy may cause a client



portfolio to hold a security in order to achieve more favorable tax treatment or to sell a security in order to create tax losses. The ability to utilize various tax-management techniques may be curtailed or eliminated in the future by tax legislation or regulation. The benefit of tax-managed investing to an individual investor is dependent upon the tax liability of an investor, which considers the level of prevailing tax rates. Over time, the ability of an investor in a tax-managed strategy to harvest losses may decrease and gains may build up in a securities portfolio. Tax-managed investing does not equate to comprehensive tax advice.

**Cybersecurity Risk.** The computer systems, networks and devices used by SouthCol and our service providers to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

**Key Person Risk.** The Adviser is heavily reliant upon its founder and principal, James W. Lumberg, for the performance of its investment advisory services. In the event Mr. Lumberg becomes incapacitated or otherwise unavailable to perform the Adviser's investment activities, performance of client accounts could be adversely affected. This risk is mitigated through SouthCol's engagement of Independent Managers, who make the day-to-day investment decisions for the portfolio holdings.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SouthCol or the integrity of the Adviser's management. SouthCol has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

SouthCol is party to a multi-year agreement with Envestnet, Inc., the parent company of the Platform Manager, to provide consulting services for the design and development of a digital investment

program for Envestnet, Inc. employees. Pursuant to this agreement, SouthCol is paid a monthly fee and is reimbursed for certain operating expenses. The design and development consulting services are not investment advisory services.

Upon completion of the design and development of the investment program, SouthCol will provide investment advice to Envestnet, Inc. employees through the investment program and, at that time, will update disclosures to describe the specific details of the investment program and activities which, as of the date of this ADV Part 2A, are not finalized.

James W. Lumberg was Co-Founder of Envestnet, Inc. and owns publicly traded stock in the company.

Given the aforementioned, in addition to the long-standing relationship of SouthCol's Founder with Envestnet and familiarity with the services provided, SouthCol has an incentive to utilize Envestnet Asset Management, Inc. as the Platform Manager over other similar service providers. SouthCol has determined through due diligence and knowledge of alternative providers that choosing Envestnet Asset Management, Inc. as the Platform Manager is in keeping with SouthCol's fiduciary duty to provide services in the best interest of its clients.

### **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

SouthCol has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at SouthCol must acknowledge the terms of the Code of Ethics annually, or as amended.

SouthCol employees or related persons may buy or sell securities that clients also own in their accounts. Investment decisions for SouthCol personnel may not be made at the same time or in the same manner as those made for clients. SouthCol or a related person of SouthCol may purchase or sell securities that are recommended to, or purchased or sold for, Clients. Personal securities transactions by persons identified as access persons with SouthCol are subject to SouthCol's Code of Ethics. The Code of Ethics includes various reporting, disclosure and approval requirements, described in the summary below. SouthCol designed these requirements to prevent or mitigate actual or potential conflicts of interest with Clients. The Code of Ethics applies not only to transactions by the individual, but also to transactions for accounts in which such person or the person's spouse, minor children or other dependents residing in the same household have an interest. Compliance with the Code of Ethics is a condition of employment.

In accordance with Securities and Exchange Commission rules relating to recordkeeping by investment advisors, SouthCol requires prompt reports of all securities transactions identified in the Code of Ethics as "Reportable Securities" transactions. SouthCol further requires that all brokerage account relationships be disclosed, that SouthCol receive duplicate confirmations of transactions and custodial account statements (or equivalent information through an automated feed from the broker),

and annual certifications of compliance with the Code of Ethics from all access persons. Transactions in U.S. government securities, bankers acceptances, bank certificates of deposit, commercial paper, high quality short-term instruments, including repurchase agreements, index-based futures/options, options/futures on treasury notes and bills or currency options/futures, shares of open-end mutual funds and commodities are excluded from the reporting requirements.

The responsibilities of SouthCol's Chief Compliance Officer include overseeing the regular monitoring and verification of compliance of supervised persons with the requirements of the Code of Ethics, and reporting material violations to SouthCol's senior management. Reportable transactions of SouthCol's Chief Compliance Officer are reviewed by another officer of SouthCol, as applicable. In addition to reporting and recordkeeping requirements, the Code of Ethics imposes various substantive and procedural restrictions on Reportable Securities transactions.

SouthCol will consult with independent outside counsel or the Adviser's compliance consultant regarding violations of the Code of Ethics, when necessary, and will impose appropriate sanctions. Depending on the type of violations, sanctions may include remedial training, suspension of personal investing privileges, or termination of employment.

A copy of SouthCol's Code of Ethics can be obtained by contacting SouthCol at 239-228-8747.

## **Item 12 – Brokerage Practices**

SouthCol generally directs clients to open and maintain a brokerage account with Pershing, LLC (the "Custodian"). Factors which SouthCol considers in selecting and recommending the Custodian include its respective financial strength, reputation, execution, pricing, research and service. The commissions charged by the Custodian will comply with our duty to seek "best execution." SouthCol executes transactions at the Custodian, even though a client could pay a commission that is higher than another custodian may charge to effect the same transaction where SouthCol determines that the commission is reasonable in light of the value of the brokerage services received.

Not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer or custodian the client decides. By requiring clients to use a particular broker/dealer or custodian, we may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker/dealers or custodian may cost clients more money than if the client used a different broker/dealer or custodian. However, for compliance and operational efficiencies, SouthCol has decided to generally require clients to use Pershing, LLC.

In very limited circumstances, SouthCol, in our sole discretion, permits a client to select Charles Schwab & Co., Inc. ("Schwab") to serve as the qualified custodian and to establish brokerage accounts at Schwab. In this circumstance, SouthCol's ability to negotiate brokerage commissions is considerably reduced or eliminated and SouthCol may be incapable of achieving the best price and lowest commission for the client's portfolio. In such arrangements, SouthCol does not seek better execution services or prices from other broker-dealers. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In addition, the client should be aware

that SouthCol cannot guarantee that such orders will be executed as promptly, or with the best execution, as orders which are placed directly by SouthCol for its clients who use Pershing as the Custodian.

### **Principal and Agency Cross Transactions**

It is SouthCol's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. SouthCol will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

### **Benefits Received from Custodian and Platform Manager**

SouthCol, or the Platform Manager on SouthCol's behalf, receives, without cost from Pershing and Schwab, computer software and related systems support, which allow the Adviser to better monitor client accounts maintained at each custodian. SouthCol, or the Platform Manager on SouthCol's behalf, receives the software and related support without cost because the Adviser renders investment management services to clients that maintain assets at such custodian and not in connection with securities transactions. SouthCol does not utilize soft dollars for the software and related support or any other benefits received from each custodian and SouthCol does not receive any other benefits or payments from custodians.

SouthCol receives investment research data and technology solutions from the Platform Manager to support portfolio management and account reporting for the firm's clients. The research and technology are provided at no direct cost to SouthCol. As described above, clients are responsible for paying a fee to the Platform Manager. The Platform Manager fee is fully disclosed to clients.

## **Item 13 – Review of Accounts**

Account assets are reviewed continuously by SouthCol's advisory personnel, including its principal owner, and supervisory reviews are conducted on a quarterly basis. The review process contains each of the following elements:

- a. assessing client goals and objectives;
- b. evaluating the client's investment program, including asset allocation and Independent Manager selection;
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a. a specific client request;

- b. a change in client goals and objectives;
- c. an imbalance in a portfolio asset allocation; and
- d. market/economic conditions

Institutional clients receive quarterly performance reports that summarize account values, asset allocation, and performance. All clients also receive statements at least quarterly from their account custodian, which outline the client's current positions and current market value. In addition, all clients have access to online account reports, including value, asset allocation, and performance through the Platform Manager.

#### **Item 14 – Client Referrals and Other Compensation**

SouthCol does not engage any affiliated or unaffiliated solicitors or participate in any referral arrangements.

#### **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains the client's investment assets. SouthCol urges you to carefully review such statements and compare such official custodial records to the account statements that we provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Outside of directly debiting client fees, SouthCol is not deemed to have custody pursuant to Rule 206(4)-2 of the Investment Advisers Act.

#### **Item 16 – Investment Discretion**

SouthCol receives discretionary authority from the client at the outset of an advisory relationship as stated in the executed SouthCol client agreement, to select the identity and amount of securities to be bought or sold, to delegate the discretionary management of client accounts to the Platform Manager and/or Independent Managers, to change and/or terminate the Platform Manager and to allocate client assets amongst Independent Managers. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, SouthCol observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, SouthCol's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to SouthCol in writing.

#### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, SouthCol does not have any authority to and does not vote proxies on behalf of advisory clients. The SouthCol client agreement delegates the proxy voting

authority to the Platform Manager and Independent Managers. The Platform Manager and/or Independent Managers are responsible for voting or abstaining from voting with respect to any proxy solicitations for any securities purchased on behalf of the client.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the adviser's financial condition. SouthCol has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.